

**EXHIBIT 115 TO
HARVEY DECLARATION
REDACTED VERSION**



Startup Talent Competition

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OVERVIEW

In Q4, we maintained our [REDACTED] Facebook's equity offers at a [REDACTED] and emphasizing [REDACTED]. Note that individual Googlers' valuation of Facebook varies widely, from [REDACTED]

Fewer Googlers received offers from Facebook in Q4 than in Q3 ([REDACTED] vs. [REDACTED] showing seasonality similar to our quarterly attrition rates. We made counteroffers to [REDACTED] of Googlers with Facebook offers in Q3 (vs. [REDACTED] in Q3). [REDACTED]

[REDACTED]. Our counteroffer win rate remains roughly stable in Q4 ([REDACTED] in Q4 vs. [REDACTED] in Q3; a difference of [REDACTED] losses). The net result was a [REDACTED] Googlers to Facebook in Q4 (vs. [REDACTED] in Q3).

As discussed at the Q3 LDCC meeting, [REDACTED]

[REDACTED]
[REDACTED]

FACEBOOK FORECAST

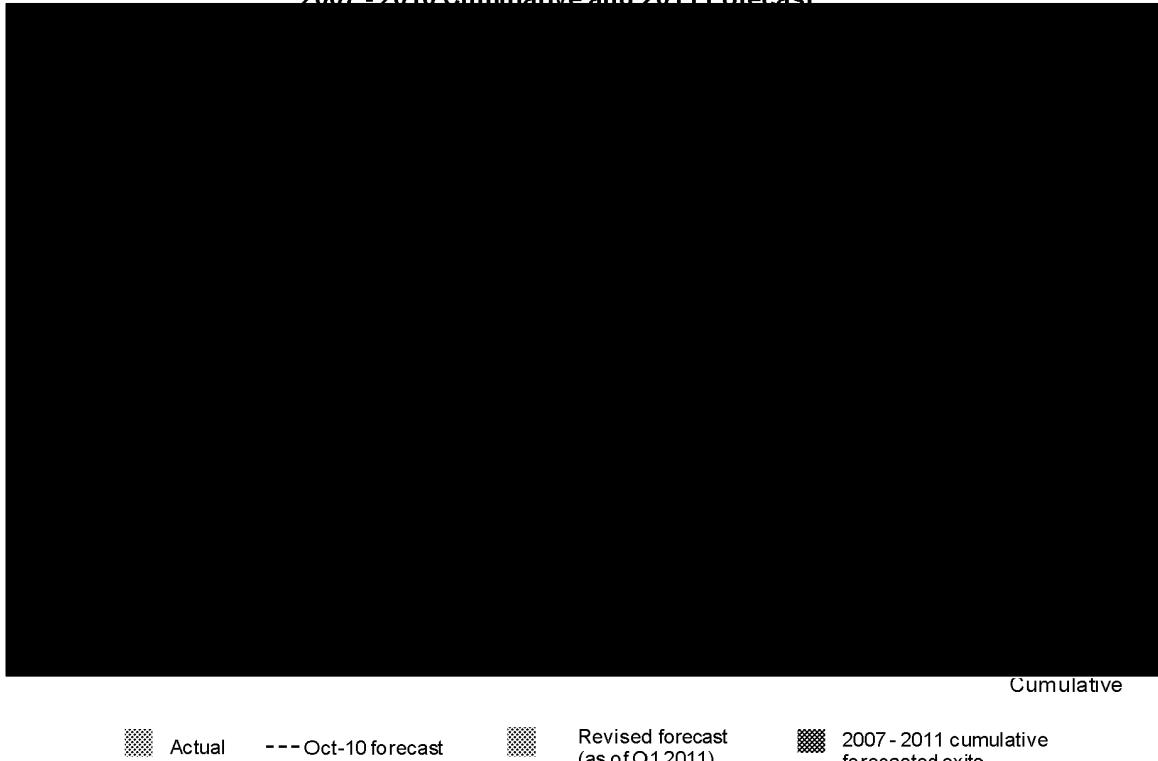
Each quarter we update our Facebook exit forecast. Since data on Facebook's current size and projected growth is not publicly available, we have estimated the company's 2011 revenue growth based on news releases and analyst reports and assumed proportional headcount growth. We distributed the projected headcount growth over 2011 based on the distribution of exits by quarter in 2010. We estimate [REDACTED] of Facebook new hires were recruited directly from Google. For reference, the top 5 organizations Google hired from during 2009 and 2010 are: [REDACTED]

[REDACTED] Additional detail on our assumptions and forecast revisions is provided in Attachment A.

The following chart summarizes our actual 2010 results and our estimates for Facebook's growth in 2011 (carrying forward our 2010 counteroffer win rate):

**Q4 2010 Facebook Exit Forecast and Historical Actual Exits
2007 - 2010 Cumulative and 2011 Forecast**

Cumulative # of Facebook Exits



As discussed at the October meeting, we measure our success based on actual exits to Facebook vs. forecast. In Q4, we lost [REDACTED] Googlers to Facebook, [REDACTED] than our October forecast of [REDACTED]

RETENTION VS FACEBOOK

Counteroffers

In Q4, we continued our [REDACTED] to retain Googlers. The average offer was [REDACTED]

We made counteroffers to [REDACTED] Googlers who received Facebook offers in Q4.

Historically, Googlers' valuations of Facebook have varied widely. Among Googlers who received Facebook offers in Q4, valuations ranged from [REDACTED]. In early January 2011, Goldman Sachs invested \$450M in Facebook at a reported \$50B valuation. However, because the bank stands to earn substantial fees as a result of the investment (through their private wealth investment vehicle and potentially underwriting Facebook's IPO), this does not directly imply a \$50B Facebook valuation. (Sources in Attachment B.)

Below is a summary of Q4 Facebook counteroffer activity:

Function	Q4 2010 Facebook Offers			Q4 2010 Counteroffer Details			
	# Googlers Counteroffered	# Googlers Not Counteroffered	Total Offers Made to Googlers	Avg. Counteroffer as % Mult. Of Facebook	# Counteroffers Pending	# Counteroffers Won	Google Win Rate as a % of Resolved Counteroffers

**Data unavailable due to low n-count of disclosed Facebook equity offers

Updated as of 4-Jan-11

1) Reflects equity awards only

Additional counteroffer details are provided in Attachment C.

• [REDACTED]	[REDACTED]

Proactive Talent Retention

To support talent retention, we continue to use the strategies discussed at the October LDCC meeting:

• [REDACTED]
• [REDACTED]
• [REDACTED]
• [REDACTED]



We have shared these results with HR business partners and affected managers so that they may emphasize these points when working to retain talent vs. Facebook.

HIRING FROM FACEBOOK

Current Strategy

In Q4, we have continued efforts to [REDACTED] ::

- [REDACTED]
- [REDACTED]

Outcomes

Since our last update, [REDACTED] employees who had left for Facebook have returned to Google. We typically [REDACTED]. Additional information on the returning Googlers is below:

Redacted

FACEBOOK HEAD-TO-HEAD CANDIDATE UPDATE

In Q4 we extended [REDACTED] new candidate offers. Of these candidates, [REDACTED] received a competing Facebook offer. Of these, [REDACTED] accepted Google's offer (vs. [REDACTED] in Q3). From the data available, we attribute the [REDACTED]¹ (see Section 8 for further discussion) and the prospect of a Facebook IPO in the near-term. Additionally, we believe that Googlers are now more likely to know and be recruited by current Facebook employees due to Facebook's continued growth.

Additional offer details are provided in the table below:

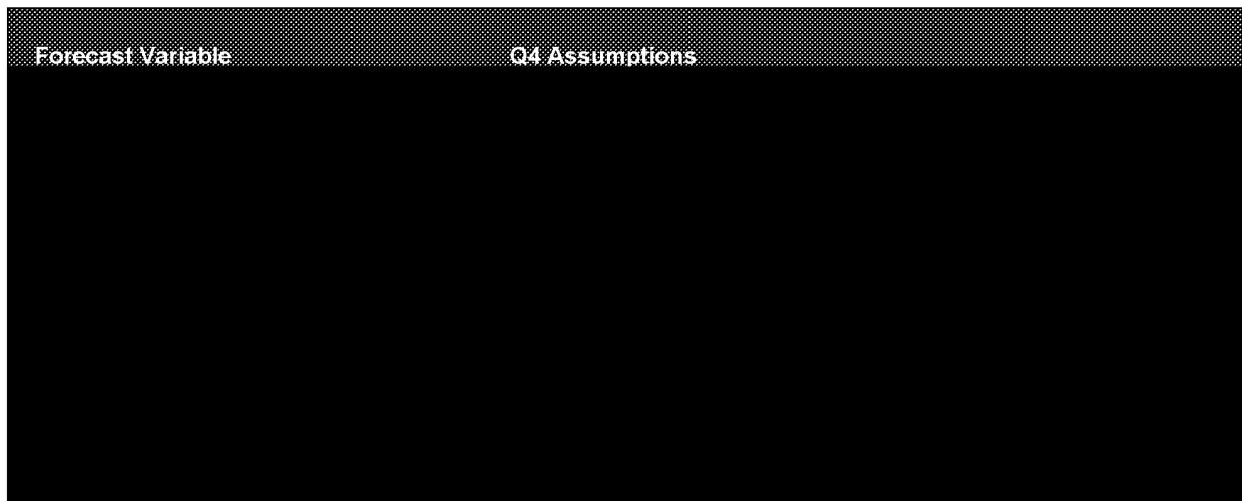
Date	Head-to-Head Candidates	Google Won Candidate	Google Win Rate as % Candidates
Q2 2007	[REDACTED]	[REDACTED]	[REDACTED]
Q3 2007	[REDACTED]	[REDACTED]	[REDACTED]
Q4 2007	[REDACTED]	[REDACTED]	[REDACTED]
Q1 2008	[REDACTED]	[REDACTED]	[REDACTED]
Q2 2008	[REDACTED]	[REDACTED]	[REDACTED]
Q3 2008	[REDACTED]	[REDACTED]	[REDACTED]
Q4 2008	[REDACTED]	[REDACTED]	[REDACTED]
Q1 2009	[REDACTED]	[REDACTED]	[REDACTED]
Q2 2009	[REDACTED]	[REDACTED]	[REDACTED]
Q3 2009	[REDACTED]	[REDACTED]	[REDACTED]
Q4 2009	[REDACTED]	[REDACTED]	[REDACTED]
Q1 2010	[REDACTED]	[REDACTED]	[REDACTED]
Q2 2010	[REDACTED]	[REDACTED]	[REDACTED]
Q3 2010	[REDACTED]	[REDACTED]	[REDACTED]
Q4 2010	[REDACTED]	[REDACTED]	[REDACTED]
Total Number	[REDACTED]	[REDACTED]	[REDACTED]

Note: data as of 4-Jan-11

¹ While the magnitude of these increases varies by role and geography, we observed that their new grad compensation [REDACTED]

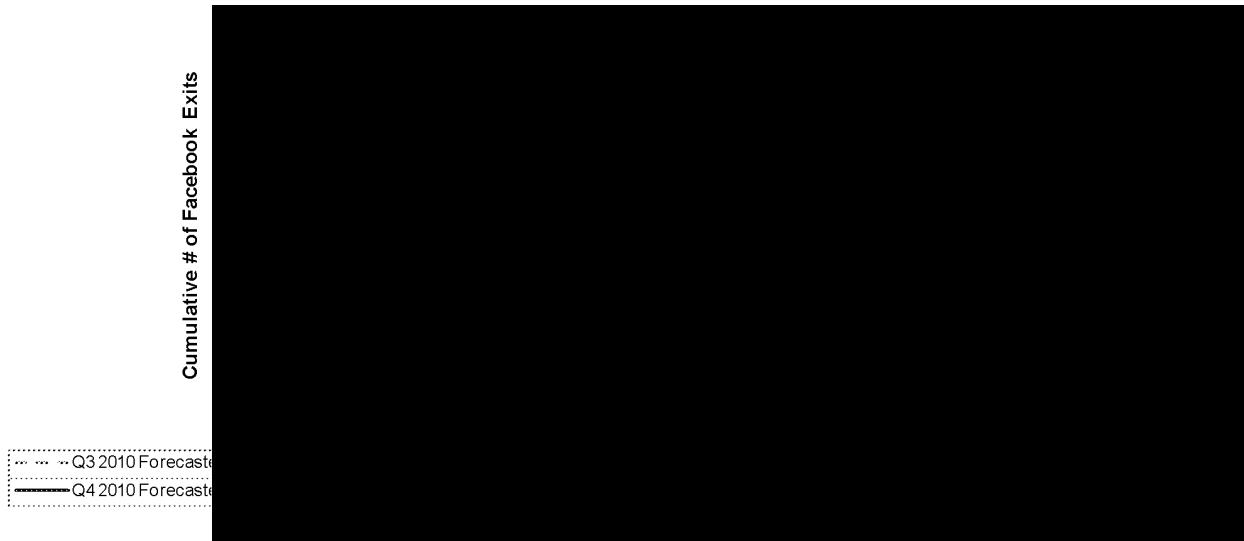
ATTACHMENT A

Exits to Facebook – Forecast Assumptions



Q4 Forecast compared to Q3 Forecast

**Revision Summary of Facebook Exit Forecast
Q3 2010 vs. Q4 2010**



ATTACHMENT B

Commentary on Goldman Sachs' January 2011 Facebook Investment

Goldman's Investment Actually Values Facebook at Much Less than \$50 Billion

Source: Business Insider, 4-Jan-2011

It has recently been reported that Goldman is investing \$500 million in Facebook at a lofty \$50 billion valuation.

After several small sales on SecondMarket at a \$50 billion valuation, TechCrunch's MG Siegler stated that "With this investment, that valuation has just been validated."

He's wrong. It's not a fair market valuation. Goldman actually values Facebook at way less than \$50 billion.

Why? Goldman will make hundreds of million dollars in fees from their new relationship with Facebook.

In many ways, this isn't a financial investment in Facebook, it's a strategic investment by Goldman.

Hundreds of Millions of Dollars in Fees

Goldman will get a ton of extra benefits from cementing this relationship with Facebook. Some are even suggesting that fees Goldman will generate from Facebook eventually could pay for the whole investment.

If you factor in how much those fees are worth, you'll can get a sense of what Goldman actually valued Facebook:

- \$1.5 billion special purpose vehicle. As part of the deal Goldman gets to create a \$1.5 billion special purpose vehicle to allow private wealth management clients to invest in Facebook with a 4% placement fee.
- Value to Goldman: \$60 million to \$135 million. 4% placement fee is \$60 million; 5% of profits, assuming Facebook valuation increases to \$75 billion, that's \$37 million; at a \$100 billion valuation, that's \$75 million
- IPO and Corporate Banking Fees. Deal positions Goldman nicely to lead their eventual IPO and be their preferred investment banker on all large financial transactions including debt raises, acquisitions
- Value to Goldman: \$100 million to \$300 million. IPO fees (6% of offering) alone can be \$100 million. Then you get secondary offerings, debt raises, acquisition advisory and all other financial transactions
- Private Wealth Management for Mark Zuckerberg. Positions Goldman nicely to manage the private wealth of Mark Zuckerberg and the hundreds of newly millionaire Facebook employees
- Value to Goldman: \$30 million per year. Assuming 1% fee, on now \$12 billion of value to Mark Zuckerberg, this could potentially lead to \$120 million. However, since most of the money is tied up in Facebook stock, it won't all be actively managed.

The above valuations are highly speculative and don't take into account costs associated with generating those revenues, the chance that Goldman doesn't end up getting all of the business above or the fact that Goldman was likely to lead the IPO already.

That being said, it's also likely that Goldman will generate more benefits than I've outlined above.

Goldman Actually Valuing Facebook at Way Less Than \$50 Billion

Considering that Goldman is only investing \$375 million and assuming Goldman will generate \$100 million of value, it implies Goldman valued Facebook at \$36 billion, not \$50 billion. At \$250 million of value, it implies a \$16 billion valuation.

And, of course, it's also likely that all of the fees pays for the whole investment thus saying nothing about Facebook's valuation.

In other words, this was a strategic investment in Facebook, not a financial one

Goldman's Mutual Friend

Source: New York Times, 4-Jan-2011

Can Goldman Sachs, the profit-seeking missile of high finance, really make money by investing \$450 million in Facebook, at a vertigo-inducing price that values the social-networking company at \$50 billion?

On first blush, the answer would appear to be no. After all, in May 2009, the company was valued at \$10 billion. Last August, Facebook was valued at \$27 billion and now it's \$50 billion — for a company with a reported \$2 billion in revenue and negligible profits. If General Electric, with 2010 revenue of around \$150 billion, traded at a similar multiple of revenue, it would be worth \$3.75 trillion instead of \$200 billion. Facebook is now considered to be worth more than Time Warner, DuPont and Goldman's rival Morgan Stanley.

Just last week, Facebook's shares were said to be trading on a private-market exchange at a valuation of \$42.4 billion. Thanks to Goldman's imprimatur, Facebook's value increased 20 percent virtually overnight. Can Goldman really expect to squeeze more water from this stone?

Sadly, yes.

To understand why, we have to go to the heart of the many problems in the way the Wall Street cartel does business, despite the promised reforms of the Dodd-Frank law. With Goldman's investment in Facebook, we have a front-row seat to the process by which Wall Street creates and inflates financial bubbles.

This bout of hysteria involves not only Facebook but other Internet companies including Twitter, the gaming site Zynga, the social buying site Groupon and LinkedIn, another social networking site. The valuation of these companies has soared in the past two years, leading some to worry that the American people bailed out Wall Street so that we could relive the Internet Bubble of 1999.

Despite the high price of its investment, Goldman sees in Facebook a business bonanza, a nearly perfect nugget of investment-banking opportunities. First, Goldman's cost of capital is close to zero — as a bank holding company, it can borrow from the Federal Reserve at negligible interest rates — so any capital gain it makes on its venture in Facebook will be sheer profit. Second, Goldman has almost certainly locked up the role of lead manager of the inevitable Facebook initial public offering.

Fees for underwriting public offerings are generally about 7 percent of the value of the stock sold. Facebook could easily sell \$2 billion of stock or more, generating fees to Goldman and the other underwriters of at least \$140 million. The other benefit for Goldman in leading the public offering — aside from major bragging rights — is that it can use its marketing, sales and distribution muscle to make sure the value of Facebook at the time of the offering exceeds the \$50 billion valuation at which Goldman invested.

Goldman has also won from Facebook the right to offer an additional \$1.5 billion of the company's stock to its private-wealth clients. According to The Times, Goldman will be creating a "special purpose vehicle" to sell the stock to its wealthy clients and then will charge them a 4 percent initial fee plus 5 percent of any profits. While on paper it seems that these high rollers would be foolish to invest in Facebook at such a lofty valuation, they will still most certainly feel increased loyalty to Goldman for making such an exclusive opportunity available to them. On top of it all, there is the increased likelihood that Goldman will get to manage a good portion of the \$12 billion fortune belonging to Mark Zuckerberg, Facebook's founder, for yet more fees.

If Goldman does take all these roles at once — investor, salesman, money manager, I.P.O. underwriter — it would certainly raise the ugly specter of conflicts of interest. But probably not to Goldman executives, who have always prided themselves on being able to "manage" through such situations. (In fairness, there's likely no investment-banking firm on the planet that would not eagerly take Goldman's place in this scheme, if offered the chance.)

Even though Facebook is reported to have little need for Goldman's money, having Goldman validate Facebook's exponential increase in value gives Mr. Zuckerberg the ultimate Silicon Valley street cred, far more than he got from having Hollywood make a movie about him or from becoming the youngest billionaire on the planet.

With all these winners, who will the losers be? The average investor, of course, who will get left holding the bag when, someday, Wall Street realizes the firm's financial performance doesn't live up to its hyped valuation.

EXHIBIT E

Attrition to Facebook – Counteroffer Update

Date	Facebook Offer to Googler	Google Made Counteroffer	Google Won Counteroffer	Googler Re-hired from Facebook ¹	Google Win rate as % of Resolved Counteroffers
Q2 2007					
Q3 2007					
Q4 2007					
Q1 2008					
Q2 2008					
Q3 2008					
Q4 2008					
Q1 2009					
Q2 2009					
Q3 2009					
Q4 2009					
Q1 2010					
Q2 2010					
Q3 2010					
Q4 2010*					
Total Number					
% of Total Facebook Offers					

Note: data as of 4-Jan-11

1) Rehires categorized based on date of original resignation (as opposed to date of rehire)

*Pending offers not counted in accept rate [REDACTED] pending, accept rate = 12/21, [REDACTED] Google win includes [REDACTED]

ATTACHMENT D

Comments from Googlers who received Facebook offers but remained at Google

- [REDACTED]
- [REDACTED]

However, [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

One Googler noted Facebook recruiters [REDACTED]

- [REDACTED]
- [REDACTED]

Googlers gave examples of [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

Several Googlers also noted the [REDACTED]

- [REDACTED]
- [REDACTED]